

# SENATE BILL No. 401

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 2-3-1; IC 2-5-1.5; IC 4-2-1.

**Synopsis:** Compensation of state officers and legislators. Requires the public officers compensation advisory commission (commission) to make recommendations regarding all elements of compensation paid or provided to a public officer. (Under current law, the commission is limited to making recommendations regarding the salaries of public officers.) Requires the commission to recommend a compensation plan that enables an individual who is a public officer to select compensation elements to meet the individual's own circumstances while ensuring that individuals who hold the same public office receive compensation of equal value. Provides for salary adjustments for legislators and the state elected officials for periods during which the general assembly does not enact an increase. Appropriates from the state general fund amounts sufficient to fund any salary increases.

**Effective:** July 1, 2007.

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**Dillon**

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January 18, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## SENATE BILL No. 401

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 2-3-1-1 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2007]: Sec. 1. **(a) Subject to section 5 of this**  
3 **chapter**, the annual salary of the members of the general assembly  
4 ~~shall be~~ **is** eleven thousand six hundred dollars (\$11,600).

5       ~~One-half (½)~~ **(b) Fifty percent (50%)** of the annual salary shall be  
6 paid on the fifteenth day of January, and ~~one-half (½)~~ **fifty percent**  
7 **(50%)** of the annual salary shall be paid on the fifteenth day of  
8 February.

9       SECTION 2. IC 2-3-1-5 IS ADDED TO THE INDIANA CODE AS  
10 A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
11 2007]: Sec. 5. **(a) Beginning January 1, 2009, and January 1 of each**  
12 **odd-numbered year after that, the annual salary of a member of**  
13 **the general assembly is increased if the general assembly did not**  
14 **amend section 2 of this chapter to provide a salary increase for the**  
15 **next general assembly.**

16       **(b) The percentage by which salaries are increased at the**  
17 **beginning of each odd-numbered year under this section is equal**



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to the statewide average percentage, as determined by the budget director, by which the salaries of state employees in the executive branch who are in the same or a similar salary bracket exceed, on January 1 of the current biennium, the salaries of executive branch state employees in the same or a similar salary bracket that were in effect on January 1 of the immediately preceding biennium.

(c) The amount of a salary increase under this section is equal to the amount determined by applying the percentage increase for the particular biennium to the salary, as previously adjusted under this section, that was in effect on December 31 of the immediately preceding year.

(d) A member of the general assembly is not entitled to receive a salary increase under this section if state employees described in subsection (b) did not receive a statewide average salary increase during the previous biennium.

(e) If a salary increase is required under this section, an amount sufficient to pay for the salary increase is appropriated from the state general fund.

SECTION 3. IC 2-5-1.5-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 1.5. As used in this chapter, "compensation" refers to all of the following elements of compensation:**

- (1) Salary.
- (2) Deferred compensation.
- (3) Health, vision, and dental insurance.
- (4) Pension and other retirement benefits.
- (5) Any other:
  - (A) amount paid to an individual; or
  - (B) benefit provided to an individual;
 to compensate the individual for services provided as a public officer.

SECTION 4. IC 2-5-1.5-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 1.7. As used in this chapter, "compensation value" means the dollar value of all elements of compensation for a public officer.**

SECTION 5. IC 2-5-1.5-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 18. The commission shall meet at least one (1) time not later than July 1 of each even-numbered year to do the following:**

- (1) For each public officer listed in section 5 of this chapter, determine the most recent year that **the compensation value for**

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the public officer ~~received a salary increase.~~ **increased.**

(2) Receive information relating to the ~~salaries~~ **compensation** of public officers.

(3) Consider recommendations for suitable ~~salaries~~ **compensation** for public officers.

(4) Take testimony relating to the ~~salaries~~ **compensation** of public officers.

SECTION 6. IC 2-5-1.5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) Not later than September 1 of each even-numbered year, the commission shall make written recommendations to the:

(1) legislative council; and

(2) budget committee;

concerning suitable ~~salaries~~ **elements of compensation** for public officers. The recommendations to the legislative council must be in an electronic format under IC 5-14-6.

(b) When making recommendations, the commission shall **do the following:**

(1) Make a separate recommendation ~~including of compensation value, which may include~~ a recommendation for no adjustment of ~~salary, compensation value,~~ for each separate public officer listed in section 5 of this chapter. ~~(c)~~ The commission may not recommend an increase in the ~~salary of compensation value for~~ a public officer to an amount that exceeds the ~~salary compensation value~~ the public officer would receive if the ~~salary compensation value~~ of the public officer increased each year since the most recent year the public officer received ~~a salary an~~ increase **in compensation value** by the growth rate for each respective year.

(2) **Recommend maintaining or abolishing existing elements of compensation or establishing new elements of compensation.**

(3) **Recommend a compensation plan that enables an individual who is a public officer to select elements of compensation to meet the individual's own circumstances while ensuring that individuals who hold the same public office receive compensation of equal compensation value.**

(4) **Make other recommendations the commission considers useful to provide suitable compensation for public officers.**

SECTION 7. IC 2-5-1.5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. For purposes of this chapter, a health care adjustment under IC 33-38-5-8.2 is ~~not~~

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considered part of the salary compensation of a public officer who is a judicial officer.

SECTION 8. IC 4-2-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Subject to subsection (b), the salary of the elected officials of the state is as follows:

(1) For the governor is ninety-five thousand dollars (\$95,000) per year.

(2) For the lieutenant governor, seventy-six thousand dollars (\$76,000) per year. However, the lieutenant governor is not entitled to receive per diem allowance for performance of duties as president of the senate.

(3) For the secretary of state, sixty-six thousand dollars (\$66,000) per year.

(4) For the auditor of state, sixty-six thousand dollars (\$66,000) per year.

(5) For the treasurer of state, sixty-six thousand dollars (\$66,000) per year.

(6) For the attorney general, seventy-nine thousand four hundred dollars (\$79,400) per year.

(7) For the clerk of the supreme court, before January 1, 2007, sixty thousand dollars (\$60,000) per year.

(8) For the state superintendent of public instruction, seventy-nine thousand four hundred dollars (\$79,400) per year.

(b) Beginning January 12, 2009, and on the second Monday of January of each succeeding fourth year, the salary of the governor is increased after any four (4) year period during which the general assembly does not amend this section to increase the governor's salary.

(c) The percentage by which salaries are increased under this section is equal to the statewide average percentage, as determined by the budget director, by which the salaries of state employees in the executive branch who are in the same or a similar salary bracket exceed, on January 1 of the current state fiscal year, the salaries of executive branch state employees in the same or a similar salary bracket that were in effect on January 1 of the state fiscal year four (4) years before the current state fiscal year.

(d) The amount of a salary increase under this section is equal to the amount determined by applying the percentage increase for the particular year to the governor's salary, as previously adjusted under this section, that was in effect on January 1 of the state fiscal year four (4) years before the current state fiscal year.

(e) The governor is not entitled to receive a salary increase

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under this section if state employees described in subsection (c) have not received a statewide average salary increase during the previous four (4) state fiscal years.

(f) If a salary increase is required under this section, an amount sufficient to pay for the salary increase is appropriated from the state general fund.

SECTION 9. IC 4-2-1-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1.5. (a) Subject to subsection (b), the salary of the state elected officials other than the governor is as follows:

(1) For the lieutenant governor, seventy-six thousand dollars (\$76,000) per year. However, the lieutenant governor is not entitled to receive per diem allowance for performance of duties as president of the senate.

(2) For the secretary of state, sixty-six thousand dollars (\$66,000) per year.

(3) For the auditor of state, sixty-six thousand dollars (\$66,000) per year.

(4) For the treasurer of state, sixty-six thousand dollars (\$66,000) per year.

(5) For the attorney general, seventy-nine thousand four hundred dollars (\$79,400) per year.

(6) For the state superintendent of public instruction, seventy-nine thousand four hundred dollars (\$79,400) per year.

(b) Beginning January 1, 2008, the part of the total salary of a state elected official is increased on January 1 of each year after a year in which the general assembly does not amend this section to provide a salary increase for the state elected official.

(c) The percentage by which salaries are increased under this section is equal to the statewide average percentage, as determined by the budget director, by which the salaries of state employees in the executive branch who are in the same or a similar salary bracket exceed, for the current state fiscal year, the salaries of executive branch state employees in the same or a similar salary bracket that were in effect on January 1 of the immediately preceding year.

(d) The amount of a salary increase under this section is equal to the amount determined by applying the percentage increase for the particular year to the salary of the state elected official, as previously adjusted under this section, that is in effect on January 1 of the immediately preceding year.

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1       (e) A state elected official is not entitled to receive a salary  
2       increase under this section on January 1 of a state fiscal year in  
3       which state employees described in subsection (c) do not receive a  
4       statewide average salary increase.

5       (f) If a salary increase is required under this section, an amount  
6       sufficient to pay for the salary increase is appropriated from the  
7       state general fund.

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